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# Program Memorandum Carriers

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

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Transmittal B-02-047

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## CHANGE REQUEST 1986

**SUBJECT: DMERCs – Appeal Messages on Medicare Summary Notice (MSN) and Medicare Remit Notice**

### General Information

Medicare Carriers Manual §12000 and 42 CFR 405.803 explain the Medicare Part B administrative appeal process available to beneficiaries and physicians/suppliers with initial determinations. An initial determination is the first adjudication (decision) made by durable medical equipment regional carriers (DMERCs) following a request for Medicare payment for an item or supply. A notice of initial determination provides appropriate appeals information to the parties.

It has come to our attention that the DMERC Standard System issues appeal messages for duplicate service/item denials (including previously denied claims).

The CMS has determined that appeal rights should be afforded to the initial determination for a service/item only. Duplicate services/items must not be afforded appeal rights.

### Claims Processing Requirements

1. The DMERC Standard System must identify duplicate services/items with action codes CI, CG, and CQ.
2. The DMERCs must stop issuing/printing appeal messages on MSNs and remits for duplicate services/items. The MA01 message must not be issued/printed on remits in this situation.
3. The MSN form, standard paper remittance formats, and the electronic remittance formats will not be changed. This instruction only applies to the message section of the MSN and remark code reporting on remittance notices.
4. Only the appropriate duplicate message should print on the MSN/Remit.
5. If a service/item is proved not to be a duplicate, DMERCs will adjudicate the service/item.
6. New Messages:

MSN # 7.3 - This service/item is a duplicate of a previously processed service. No appeal rights are attached to the denial of this service except for the issue as to whether the service is a duplicate. Disregard the appeals information on this notice unless you are appealing whether the service is a duplicate.

Use reason code 18, Duplicate claim/service, on remittance notices with remark code N111.

Remark Code N111 – This service was included in a claim that was previously billed and adjudicated. No appeal rights attached except with regard to whether the service/item is a duplicate.

**CMS-Pub. 60B**

Spanish MSN #7.3 – Este servicio/artículo es un duplicado de otro servicio procesado previamente. No tiene derechos de apelación por la denegación de este servicio, excepto si cuestiona que este servicio es un duplicado. Haga caso omiso a la información sobre apelaciones en esta notificación, en relación a sus derechos de apelación, a menos que esté apelando si el servicio fue duplicado.

**Provider Impact**

The DMERCs should notify providers of this policy via their next quarterly bulletin and on their Web sites. This information should also be included in training sessions.

**The effective date for this PM is January 1, 2003.**

**The implementation date for this PM is January 1, 2003.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded January 31, 2004.**

**If you have any questions, contact your appropriate regional office.**